

# House Study Bill 292

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON WAYS  
AND MEANS BILL BY  
CHAIRPERSON SHOMSHOR)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to the repeal of the loan agencies tax.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
3 TLSB 2591YC 82  
4 mg/cf/24

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1 1 Section 1. Section 331.401, subsection 1, paragraph k,  
1 2 Code 2007, is amended to read as follows:  
1 3 k. Levy taxes as certified to it by tax-certifying bodies  
1 4 in the county, in accordance with the statutes authorizing the  
1 5 levies and in accordance with chapter 24 and sections 444.1 to  
1 6 444.8, and levy taxes as required in chapters ~~430A~~, 433, 434,  
1 7 437, and 438.

1 8 Sec. 2. Section 331.427, subsection 1, unnumbered  
1 9 paragraph 1, Code 2007, is amended to read as follows:

1 10 Except as otherwise provided by state law, county revenues  
1 11 from taxes and other sources for general county services shall  
1 12 be credited to the general fund of the county, including  
1 13 revenues received under sections 9I.11, 101A.3, 101A.7,  
1 14 123.36, 123.143, 142B.6, 176A.8, 321.105, 321.152, 321G.7,  
1 15 321I.8, section 331.554, subsection 6, sections 341A.20,  
1 16 364.3, 368.21, 423A.7, 428A.8, ~~430A.3~~, 433.15, 434.19, 445.57,  
1 17 453A.35, 458A.21, 483A.12, 533.24, 556B.1, 583.6, 602.8108,  
1 18 904.908, and 906.17, and the following:

1 19 Sec. 3. Section 441.73, subsection 1, Code 2007, is  
1 20 amended to read as follows:

1 21 1. A litigation expense fund is created in the state  
1 22 treasury. The litigation expense fund shall be used for the  
1 23 payment of litigation expenses incurred by the state to defend  
1 24 property valuations established by the director of revenue  
1 25 pursuant to section 428.24 and chapters ~~430A~~, 433, 434, 437,  
1 26 437A, and 438, and for the payment of litigation expenses  
1 27 incurred by the state to defend the imposition of replacement  
1 28 taxes and statewide property taxes under chapter 437A.

1 29 Sec. 4. Section 445.3, unnumbered paragraph 2, Code 2007,  
1 30 is amended to read as follows:

1 31 The commencement of actions for ad valorem taxes authorized  
1 32 under this section shall not begin until the issuance of a tax  
1 33 sale certificate under the requirements of section 446.19.  
1 34 The commencement of actions for all other taxes authorized  
1 35 under this section shall not begin until ten days after the  
2 1 publication of tax sale under the requirements of section  
2 2 446.9, subsection 2. This paragraph does not apply to the  
2 3 collection of ad valorem taxes under section 445.32, and grain  
2 4 handling taxes under section 428.35, and moneys and credits  
2 5 taxes under chapter ~~430A~~.

2 6 Sec. 5. Chapter 430A, Code 2007, is repealed.

### EXPLANATION

2 8 This bill repeals the loan agencies tax set forth in Code  
2 9 chapter 430A. In a ruling dated March 28, 2006, the Polk  
2 10 county district court in General Motors Acceptance Corporation  
2 11 v. Polk County, Iowa, et al., ruled that this tax facially  
2 12 discriminated against interstate commerce and violated the  
2 13 United States Constitution's commerce clause because this tax  
2 14 was only imposed on out-of-state corporations, and was not  
2 15 imposed on Iowa-based corporations. This tax is no longer  
2 16 being enforced by the department of revenue and the county  
2 17 treasurers who administered and collected this tax.

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2 19 mg:rj/cf/24

